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Utility Rates Admended See #305

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Office of the Secretary of State
March Fong Eu

1230 J Street
Sacramento, California 95814

Elections Division
(916) 445-0820

August 4, 1982

TO ALL REGISTRARS OF VOTERS, OR COUNTY CLERKS, AND PROPONENT

Pursuant to Section 3513 of the Elections Code, we transmit herewith a copy of the Title and Summary prepared by the Attorney General on a proposed Initiative Measure entitled:

UTILITY RATES
INITIATIVE CONSTITUTIONAL AMENDMENT

Circulating and Filing Schedule

1. Minimum number of signatures required 553,790
Cal. Const., Art. II, Sec. 8(b).
2. Official Summary Date Wednesday, 8/4/82
Elec. C., Sec. 3513.
3. Petition Sections:
 - a. First day Proponent can circulate Sections for signatures . . Wednesday, 8/4/82
Elec. C., Sec. 3513.
 - b. Last day Proponent can circulate and file with the county.
All Sections are to be filed at the same time within each
county. Monday, 1/3/83 *
Elec. C., Secs. 3513, 3520(a).
 - c. Last day for county to determine total number of signatures
affixed to petition and to transmit total to the Secretary of
State Monday, 1/10/83

(If the Proponent files the petition with the county on a date prior to 1/3/83, the county has five working days from the filing of the petition to determine the total number of signatures affixed to the petition and to transmit the total to the Secretary of State.) Elec. C., Sec. 3520(b).

- * Date adjusted for official deadline which falls on Saturday. Elec. C., Sec. 60.

- d. Last day for county to determine total number of qualified electors who signed the petition, and to transmit certificate with a blank copy of the petition to the Secretary of State. Tuesday, 1/25/83

(If the Secretary of State notifies the counties to determine the number of qualified electors who signed the petition on a date prior to 1/10/83, the last day is not later than the fifteenth day after the notification.)
Elec. C., Sec. 3520(d), (e).

- e. If the signature count is between 498,411 and 609,169 then the Secretary of State notifies the counties using the random sampling technique to determine the validity of all signatures.

Last day for county to determine actual number of all qualified electors who signed the petition, and to transmit certificate with a blank copy of the petition to the Secretary of State. Thursday, 2/24/83

(If the Secretary of State notifies the counties to determine the number of qualified electors who have signed the petition on a date prior to 1/25/83, the last day is not later than the thirtieth day after the notification.)
Elec. C., Sec. 3521(b), (c).

4. Campaign Statements:

Last day for the Proponent to file a Campaign Statement of Receipts and Expenditures for period ending 1/31/83. Monday, 2/7/83

(If the Secretary of State finds that the measure has either qualified or failed to qualify on a date earlier than 1/3/83, the last date to file is the 35th calendar day after the deadline for filing petitions or the date of notification by the Secretary of State that the measure has either qualified or failed to qualify, whichever is earlier. The closing date for the campaign statement is seven days prior to the filing deadline.)
Gov. C., Secs. 84200(d), 84202(j).

5. The Proponent of the above named measure is:

Mr. Roberto Acosta
2117 Eastern Avenue
Sacramento, CA 95825
(916) 482-6703

Sincerely,

DEBORAH SEILER
Assistant to the Secretary of State
Elections and Political Reform


EDWARD G. ARNOLD JR.
Elections Assistant

NOTE TO PROPONENT: Your attention is directed to Elections Code Sections 41, 44, 3501, 3507, 3508, 3516, 3517, and 3519 for appropriate format and type considerations in printing, typing, and otherwise preparing your initiative petition for circulation and signatures. Your attention is further directed to the campaign disclosure requirements of the Political Reform Act of 1974, Government Code Section 81000 et seq.



State of California
Department of Justice

George Deukmejian

(PRONOUNCED DUKE-MAY-GIN)

Attorney General

August 4, 1982

555 CAPITOL MALL, SUITE 350
SACRAMENTO 95814
(916) 445-9555

FILED

In the office of the Secretary of State
of the State of California

AUG - 4 1982

MARCH FONG EU, Secretary of State

By Barbara J. Lee
Deputy

Honorable March Fong Eu
Secretary of State
1230 J Street
Sacramento, California 95814

RE: Initiative Title and Summary.
Our File No.: SA82RF0007

Dear Mrs. Eu:

Pursuant to the provisions of section 3503 and 3513 of the Elections Code, you are hereby notified that on this day we mailed to the proponent(s) of the above identified proposed initiative our title and summary.

Enclosed is a copy of our transmittal letter to the proponent(s), a copy of our title and summary, a declaration of mailing thereof, and a copy of the proposed measure.

According to information available in our records, the name(s) and address(es) of the proponent(s) is as stated on the declaration of mailing.

Very truly yours,

George Deukmejian
Attorney General

Robert Burton
Deputy Attorney General

Enclosure

Date: August 4, 1982
File No.: SA82RF0007

The Attorney General of California has prepared the following title and summary of the chief purpose and points of the proposed measure:

UTILITY RATES. INITIATIVE CONSTITUTIONAL AMENDMENT. Adds several sections concerning rates and services of electrical and gas corporations regulated by Public Utilities Commission. Provisions are made regarding: Refunds for specified over collections authorized since 1972; rolling rates back to September 30, or January 1, 1981, and requiring refunds; reserve account requirements; charging for power plant costs prior to energy production or for specified construction costs; colder and hottest climate life line rates; restricting termination of service in residences occupied by specified children or older persons; rates for specified agricultural producers, governmental buildings, and educational institutions; maximum rates of return; other matters. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: This measure would have major adverse financial effects on operating revenues of private utilities in California. No estimate of the fiscal impact of this measure on state and local governments can be made because it cannot be predicted how utilities would react to an operating revenue loss of large magnitude, especially when a large portion of their costs are fixed, or beyond their immediate control (e.g., imported natural gas prices).

Submitted by:
Roberto Acosta,
Proponent
May 13, 1982

Amended Constitutional Initiative - File No: SA82RF0007

Section 1. This Amendment shall be known as "The Utility Ratepayers Reform and Survival Act."

- a) Utilities, for purpose of this amendment shall be limited to electrical and gas corporations regulated by the Public Utilities Commission.
- b) For purposes of this amendment ratepayers and consumers are used interchangeably and act and amendment are used interchangeably.

Section 2. Refunds in the form of credits to consumers' bills, plus interest at 6 percent per annum, shall be made of all over collections made by utilities as a result of any electrical fuel cost rate adjustment, any purchased gas adjustment or any supply adjustment mechanism authorized by the Public Utilities Commission since 1972.

Section 3. All utilities rates shall be rolled back to rates existing on September 30, 1981.

- a) This section shall not apply to categories of consumers designated Essential Public Necessities in Section 11 of this act. Rates in those categories shall be rolled back to January 1, 1980 rates.
- b) Essential Public Necessities are limited by this act to consumers engaged in agricultural production and food processing as defined by the Franchise Tax Board, state, local and federal buildings which are used to conduct the public's business; and public and private educational institutions when regulated by the Education Code.

Section 4. Refunds, in the form of credits to consumers bills, plus interest at 10 percent, shall be made to all ratepayers, on rate increases collected above September 30, 1981 rates, effective upon passage of this amendment.

Section 5. When the commission authorizes any rate change for a specific cost, it shall require the utilities to maintain reserve accounts so that related revenue and costs shall be offset, and the commission shall fully consider any balance, plus interest earned in such reserve accounts, before authorizing subsequent rate adjustments. Effective immediately.

Section 6. Ratepayers shall not be charged for any cost of any power plant, until said power plant is producing energy as designated in the Certificate of Public Convenience and Necessity issued by the Public Utilities Commission. Effective upon passage of this act.

Section 7. Ratepayers shall not be charged, for purposes of ratesetting, for any construction costs exceeding 100 percent of construction costs specified in the Certificate of Public Convenience and Necessity, except that the commission shall take into account increased costs from economic inflation, and regulatory requirements imposed by the commission or any other public agency after the issuance of the Certificate or both. Effective upon passage of this act.

Section 8. Ratepayers in the colder climates of the state and during the winter weather, shall pay at the lowest full winter lifeline allowance rates which existed in 1980. This rollback effective upon passage of this act.

Section 9. Ratepayers in the hottest climates of this state and during the summer months shall pay at the lowest full summer lifeline allowance rate which existed in 1981. This rollback effective upon passage of this act.

Section 10. Essential gas, water or electrical services shall not be terminated during freezing temperatures in any occupied residential dwelling that includes as permanent residents children under the age of three or persons 70 or older.

Section 11. This amendment creates a category of ratepayers/consumers which shall be classified in a category called "Essential Public Necessities"

- a) For purposes of this amendment, consumers/ratepayers, classified under this section shall have rates rolled back to the lowest rates which existed in their respective categories in 1980. Effective upon passage of this amendment.
- b) For purposes of this amendment, the Essential Public Necessities shall be limited to consumers engaged in agricultural production and food processing as defined by the Franchise Tax Board, public governmental buildings conducting the public's business and educational institutions regulated by the Education Code.
- c) The Commission, in full cooperation with the governor, legislature and affected Essential Public Necessities, shall devise and designate an Essential Public Necessities lifeline-like allowance and tier-rate structure, which is consistent with the purposes and the intent of the legislature, when it enacted lifeline allowances for residential users, and was signed into law by the governor, July 17, 1980.

Section 12. The Rate of Return allowed by the Public Utilities Commission to any gas and electric corporation shall not exceed 8.5 percent per annum; or a rate or return which is two points above the general prevailing bank passbook interest on savings rate in existence, whichever is higher.

Section 13. The provisions of this amendment and all sections included herein shall not be amended by the legislature except by statute passed in each house by rollcall vote entered in the journal, two-thirds of the membership concurring, or by a statute that becomes effective only when approved by the electors.

Section 14. If any section, part, clause or phrase hereof is for any reason held to be invalid or unconstitutional the remaining section(s) shall not be effected and will remain in full force and effect.



State of California
Department of Justice

555 CAPITOL MALL, SUITE 350
SACRAMENTO 95814
(916) 445-9555

George Deukmejian
(PRONOUNCED DUKE-MAY-GIN)

Attorney General

August 4, 1982

Roberto Acosta
2117 Eastern Avenue
Sacramento, California 95825

RE: Initiative Title and Summary.
Subject: Utility Rates
Our File No.: SA82RF0007

Pursuant to your request, we have prepared the attached title and summary of the chief purposes and points of the above identified proposed initiative. A copy of our letter to the Secretary of State, as required by Elections Code sections 3503 and 3513, our declaration of mailing, and the text of your proposal that was considered is attached.

The Secretary of State will be sending you shortly a copy of the circulating and filing schedule for your proposal that will be issued by that office.

Please send us a copy of the petition after you have it printed. This copy is not for our review or approval, but to supplement our file in this matter.

Very truly yours,

George Deukmejian
Attorney General

Robert Burton
Deputy Attorney General

Attachment

DECLARATION OF MAILING

The undersigned Declarant, states as follows:

I am over the age of 18 years and not a proponent of the within matter; my place of employment and business address is 555 Capitol Mall, Suite 350, Sacramento, California 95814.

On the date shown below, I mailed a copy or copies of the attached letter to the proponents, by placing a true copy thereof in an envelope addressed to the proponents named below at the addresses indicated, and by sealing and depositing said envelope or envelopes in the United States mail at Sacramento, California, with postage prepaid. There is delivery service by United States mail at each of the places so addressed, or there is regular communication by mail between the place of mailing and each of the places so addressed.

Date of Mailing: August 4, 1982

Subject: Utility Rates

Our File No.: SA82RF0007

Name of Proponent(s) and Address(es):

Roberto Acosta
2117 Eastern Avenue
Sacramento, California 95825

I declare under penalty of perjury that the foregoing is true and correct.

Executed at Sacramento, California on August 4, 1982.

Marsha L. Bierer
MARSHA L. BIERER
Declarant



State of California
Department of Justice
George Deukmejian
(PRONOUNCED DUKE-MAY-GIN)

555 CAPITOL MALL, SUITE 350
SACRAMENTO 95814
(916) 445-9555

Attorney General

May 25, 1982

Mr. Anthony L. Miller
Chief Deputy Secretary of State
1230 J Street
Sacramento, California 95814

Re: Initiative Title and Summary
Subject: Utilities: Rates, Service, Burdens Tax
Our File: No. SA82RF0007

Dear Mr. Miller:

On April 30, 1982, we forwarded to the Secretary of State the title and summary for the above initiative measure. On May 13 the proponent, Roberto Acosta, tendered to us substantive amendments to that measure which I initially refused to accept.

Mr. Acosta takes the position that he has an absolute right to submit amendments to his proposed measure within the 15-day period accorded the Attorney General to prepare a title and summary. On review of Elections Code section 3503 I agree. Elections Code section 3503 provides in part:

"If during the 15-day period, the proponents of the proposed initiative measure submit amendments, other than technical, nonsubstantive amendments, to the final version of such measure, the Attorney General shall provide a copy of the title and summary to the Secretary of State within 15 days after receipt of such amendments."

The practice in this office has been to issue the title and summary for a proposed measure as soon after receipt of the fiscal impact statement as possible. The policy was adopted to alleviate potential disadvantages to a proponent resulting from delays in the preparation of the fiscal analysis by the Legislative Analyst and the Department of Finance.

The Legislative Analyst and Department of Finance have 25 days within which to prepare a fiscal impact statement or advise this office whether there will be a net change in state or local finances. In this particular case the fiscal

May 25, 1982

analysis was requested March 26 and received April 28. The title and summary was issued April 30. Mr. Acosta tendered his proposed amendments May 13 (the 15th day).

It is apparent that in trying to expedite the process to forestall dissatisfaction with the procedural delays, we have created a potential, and in this case real, problem for those who want to amend their measures at the last moment. Under the circumstance, however, it is apparent that Mr. Acosta is entitled to have his amendment processed. Accordingly, we respectfully request that the Secretary of State notify the county clerks that the above initiative is being amended and that a new notice will issue when an official title and summary is issued for the amended measure.

Very truly yours,

George Deukmejian
Attorney General


Richard D. Martland
Assistant Attorney General

RDM:ac

Hon. George Deukmejian
Attorney General
555 Capitol Mall, Suite 350
Sacramento, California 95814

May 13, 1982

attention: Robert Burton
Deputy Attorney General

Dear Attorney General Deukmejian:

SUBJECT: Amendment to Constitutional
Initiative Relating To Utility Rates.

Your File NO: SA 82 RF0007

Your Title: Utilities: Rates, Service, Burdens Tax.

Pursuant to Section 3503 of the Elections Code, we are submitting substantial amendments to the final version of the measure, and request that your title and summary reflect those changes, and that your office notify and provide the Secretary of State with a title and summary reflecting the amended initiative within fifteen days.

In summary, the enclosed amended version of the constitutional initiative eliminates the "burdens tax" section, the "due process" section, and the legislative participation in the general rate-setting process.

The amendment broadens the life line areas, increases rate accountability, and establishes specific Rates-of-

May 13, 1982

Amended Constitutional Initiative - File No.: SA82 RF0007

Section 1. This Amendment shall be known as
"The Utility Ratepayers Reform and Survival Act."

a) Utilities, for purpose of this amendment
shall be limited to electrical and gas
corporations regulated by the Public
Utilities Commission.

b) For purposes of this amendment
Ratepayers and consumers are used
interchangeably and act and amendment
are used interchangeably.

Section 2. Refunds in the form of credits to consumers bills,
plus interest at 6 percent per annum, shall be made
of all over collections made by utilities as a result of
any electrical fuel-cost rate adjustment, any purchased
gas adjustment or any supply adjustment mechanism
authorized by the Public Utilities Commission since 1972.

Section 3. All utilities rates shall be rolled
back to rates existing on September 30, 1981.

a) This section shall not apply to categories of
consumers designated Essential Public Necessities
in Section 11. of this act. Rates in those categories
shall be rolled back to January 1, 1980 rates.

b) Essential Public Necessities are limited by this act
to consumers engaged in agricultural production,
as defined by

the Franchise Tax Board; state, local, and federal buildings which are used to conduct the public's business; and public and private educational institutions when regulated by the Education Code.

Section 4. Refunds, in the form of credits to consumer bills, plus interest at 10 percent, shall be made to all rate payers, on rate increases collected above September 30, 1981 rates, effective upon passage of this amendment.

Section 5. When the commission authorizes any rate change for a specific cost, it shall require the utilities to maintain reserve accounts so that related revenue and costs shall be offset, and the commission shall fully consider any balance, plus interest earned, in such reserve accounts, before authorizing subsequent rate adjustments. Effective immediately.

Section 6. Rate payers shall not be charged for any cost of any power plant, until said power plant is producing energy as designated in the Certificate of Public Convenience and Necessity issued by the Public Utilities Commission. Effective upon passage of this act.

Return allowable by the Public Utilities Commission.

The measure will result in substantial savings to local and state governments, to the agricultural community, and to private and public educational institutions.

There could be substantial losses in state and local revenues—but only an accurate analysis of the difference between savings of whole dollars and the projected and presumed revenue losses will give us a net change—for inclusion in the final summary and title to be issued.

I would request that any mention of reduction of income to utility companies made in the summary be accompanied by the mention of savings to residents, agricultural community, public and private schools, small businesses, local and state governments, and all other rate-payers, which could increase revenues via sales taxes, income taxes, etc. Sincerely,

Roberto Acosta

PROPOSER OF
Utilities Initiative;

Your file: SA82 RF0007

cc: Hon. March Fong Eu
William G. Hamm
Mary Ann Graves

Section 7. Ratepayers shall not be charged, for purposes of rate setting, for any construction costs exceeding 100 percent of construction costs specified in the Certificate of Public Convenience and Necessity, except that the Commission shall take into account increased costs from economic inflation, and regulatory requirements imposed by the Commission or any other public agency after the issuance of the Certificate or both. Effective upon passage of this act.

Section 8. Ratepayers in the colder climates of the state, and during winter weather, shall pay ^{at} the lowest full-winter life line allowance rates which existed in 1980. This roll back effective upon passage of this act.

Section 9. Ratepayers in the hottest climates of this state, and during summer months, shall ~~pay~~ ^{at} the lowest full-summer life line allowance rate which existed in 1981. This roll back effective upon passage of this act.

Section 10. Essential gas, water or electrical services shall not be terminated during freezing temperatures in any occupied residential dwelling that includes as permanent residents children under age 3 or persons 70 and

signed into law by the Governor, July 17, 1980.

Section 12. The Rate of Return allowed by the Public Utilities Commission to any gas and electric corporation, shall not exceed 8.5 percent per annum; or a rate of return which is 2 points above the general prevailing Bank Pass Book interest on savings rate in existence, whichever is higher.

Section 13. The provisions of this amendment and all sections included herein, shall not be amended by the Legislature except by statute passed in each house by rollcall vote entered in the journal, two-thirds of the membership concurring, or by a statute that becomes effective only when approved by the electors.

Section 14. If any section, part, clause or phrase hereof is for any reason held to be invalid or unconstitutional, the remaining section(s) shall not be effected and will remain in full force and effect.

AMENDED SEE #305